

Senator Max Baucus (D-MT)
SD-219 Dirksen Senate Office Building
Washington, DC 20510
Attn: Pat Bousilman

Chairman Charles Rangel (D-NY)
1102 Longworth House Office Building
Washington DC 20515
Attn: Melissa Mueller

Senator Charles Grassley (R-IA)
SD-219 Dirksen Senate Office Building
Washington, DC 20510
Attn: Mark Prater

Ranking Member David Camp (R-MI)
1139E Longworth House Office Building
Washington DC 20515
Attn: Dave Olander

Dear Chairmen and Ranking Members,

I urge you to join me in supporting legislation introduced by Congressman Jim McGovern (D-MA) and Senator Charles Schumer which will create parity between the parking and transit portions of the transportation fringe benefit, HR 891 & S 322. Establishing parity will provide American workers with an incentive to utilize transit and vanpools for their commute to work. Enactment of this legislation will help ease congestion, improve air quality, and reduce dependency on foreign oil. This provision will also help transit riders ease the burden of escalating transit fares.

As Congress searches for ways to stimulate job growth, it should also recognize that transportation is the second largest household expense. Promoting transportation alternatives such as transit and vanpool is one way Congress can help 'main street'. The transit benefit is a perfect example of how targeted and effective Federal policy can provide employers with an opportunity to provide their employees with a way to save money on their commute while at the same time conserving energy, reducing congestion, and improving air quality.

Under existing Federal law, employers can offer their employees an option of up to \$230/month in pre-tax parking benefits or \$120/month in pre tax transit/vanpool benefits. The disparity between the two benefit levels has created a financial incentive for employees to drive alone to and from work alone rather than to utilize transit or a vanpool.

The 2009 economic stimulus package temporarily established parity by increasing the transit and vanpool portion of the benefit to \$230/month, the same as parking. However, unless Congress acts, the transit and vanpool portion of the benefit will revert back to \$120/month at the end of this year. Inaction to make parity permanent would be the equivalent of placing a tax on employees and employers who utilize public transit.

It is also important to note that the transit portion of the benefit also covers those commuters who wish to vanpool. Vanpools are a cost effective alternative to linking areas not fully serviced by mass transit. However, in many cases, the cost of being a part of a vanpool is greater than \$120/month, the amount that is currently allowed as a pre-tax benefit for employees and employers.

Finally, parity makes sense for businesses of all shapes and sizes. The provision is a pre-tax benefit not only for employees, but also for the employers who offer it. Thus, employers do not have to pay taxes on the benefit, providing a sound fiscal saving for the employer, and providing many employers with an effective employment recruitment and retention tool.

It is our hope to see this provision enacted into law as soon as possible. Additionally we call upon members of the House to support this legislation by becoming co-sponsors.